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Canada

Strawberries

Canadian Market Update

2002

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Report Highlights: Variable weather conditions across all of the major fresh strawberry growing regions reduced the production potential of Canada's strawberry crop during 2002, but a small increase in bearing area is estimated to have modestly boosted total output beyond last year's level. Canada's fresh strawberry import market is dominated by U.S. exports which have realized a 98% import market share so far in 2002.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
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Section 1. Fresh Strawberries	Page 2
Production Situation	Page 2
Consumption	Page 3
Prices	Page 3
Trade	Page 4
Marketing	Page 5
Tariffs	Page 5
Section II. Frozen Strawberries	Page 6
Frozen Strawberry Imports	Page 7
Exchange Rates	Page 7

Section 1. Fresh Strawberries

Production Situation

For Canada's 2002 strawberry crop, cool and wet conditions in the spring delayed the development of the Fraser Valley strawberry crop in British Columbia while spring frosts reduced the production potential of the fresh strawberry outturn in Ontario. In Quebec, the berry crop suffered from hot, dry weather during the growing season and in Nova Scotia, the conditions at harvest indicated an average crop at best, with fruiting spread over a longer period than normal. These four provinces account for more than 90% of total Canadian fresh strawberry production. On balance, post estimates the 2002 Canadian strawberry crop at 24,100 metric tons, 1.5% above the level a year ago, based mostly on a small increase in bearing area.

As shown on the table below, the bearing area for strawberries has been gradually increasing and annual production potential is above 26,000 metric tons under ideal weather in all growing regions.

Canada: Fresh Strawberries Supply & Distribution			
Units: hectares / metric tons			
	Revised	Estimated	Forecast
	2001	2002	2003
Area Planted	5,411	5,437	5,450
Bearing Area	4,338	4,407	4,425
TOTAL Production	23,737	24,100	25,500
Imports, Fresh	45,523	56,000	55,000
TOTAL SUPPLY	69,260	80,100	80,500
Exports, Fresh	479	273	400
Domestic Fresh Market	65,081	75,327	75,350
For Processing	3,700	4,500	4,750
TOTAL UTILIZATION	69,260	80,100	80,500
Source: Statistics Canada & Post Estimates			

Consumption

Statistics Canada's most recent consumption data for fresh strawberries is for CY2000 when annual per capita consumption climbed to its highest level (2.08 kg) since the cyclospora scare of the mid-1990s when it had reached a record 2.18 kg.

Prices

Wholesale market prices for imported fresh strawberries during the peak summer period (mid-June to early August) were generally lower than a year ago reflecting increased imported supplies, mostly from California. Flats of 12 X 1 pint were typically selling for C\$15.50 in late July 2002, as much as C\$6-C\$8 less than a year earlier.

Trade

The Canadian import market for fresh strawberries is dominated by U.S. fresh berry exporters. Lower production from U.S. producing regions in 2001 reduced total Canadian imports to 45,523 metric tons that year, down almost 10% from the year earlier, but the U.S. still maintained a 98% import market share. U.S. fresh strawberry exports to Canada in the January to September period of the current year are up 25% from a year ago. The value of U.S. fresh strawberry sales to Canada during 2002 is expected to exceed \$95 million.

Since September 2001, Canada has conducted a trial import directive to allow imports of fresh strawberries from Argentina. Under the Canadian Food Inspection Agency's (CFIA) directive No. D-01-09, the CFIA requires a phytosanitary certificate issued by the National Plant Protection Organization of Argentina. According to the CFIA, the directive will be reviewed on September 24, 2003. As shown below, the issuance of the directive has not resulted in significant imports of fresh strawberries from Argentina.

Canada: Fresh Strawberry Imports						
Calendar Years 1999-2001						
Comparison 9 months 2001 and 2002						
Units: metric tons						
HS 0810.10				Jan.-Sept.	Jan.-Sept.	% change
	1999	2000	2001	2001	2002	2002/01
-- The World --	45,678	50,135	45,523	41,239	51,906	25.9%
United States	43,955	48,397	44,745	40,887	51,269	25.4%
Mexico	1,027	977	290	280	578	106.4%
China	9	24	0	0	25	+100%
Costa Rica	0	2	12	7	15	105.2%
Philippines	7	6	2	1	5	272.0%
Jamaica	41	22	14	12	5	-60.9%
New Zealand	495	562	394	12	0	-100.0%
Colombia	41	37	26	25	0	-100.0%
Argentina	0	0	15	0	0	-
All Others	104	107	26	15	9	-36.7%
Source: World Trade Atlas						

Marketing

The peak marketing period for U.S. fresh strawberries in the Canadian market is March through June, the months immediately preceding the peak marketing period of the Canadian domestic crop (June & July). In 2001, the province of Ontario was the number one destination for U.S. fresh strawberry exports to Canada accounting for more than half of the total. The table below illustrates Canadian imports of fresh strawberries from the United States, by province.

U.S. Fresh Strawberries; Imports by Province				
Calendar Years 1999-2001				
Quantity: metric tons				
				% share
	1999	2000	2001	of 3 year
				total
-All Provinces-	43,955	48,397	44,745	
Ontario	22,777	27,388	25,251	55%
Alberta	9,145	8,395	8,412	19%
British Columbia	7,904	8,114	7,552	17%
Quebec	1,834	2,288	1,597	4%
Manitoba	1,855	1,731	1,451	4%
New Brunswick	239	196	315	1%
Saskatchewan	201	285	167	0%
Others	0	0	0	0%
Data Source: World Trade Atlas				

Tariffs:

Under the FTA/NAFTA all import duties on U.S. fresh and frozen strawberries, including any seasonal duties, were reduced to zero on January 1, 1998. Beginning January 1, 2003 all duties on imports of fresh or frozen strawberries from Chile and Mexico will be reduced to zero under the tariff provisions of the Canada/Chile Free Trade Agreement and under the NAFTA.

Section II. Frozen Strawberries

The total supply of frozen strawberries in Canada is heavily reliant on imports, mostly from the United States and from Mexico (see trade table on the next page). Domestic frozen strawberry production accounts for less than 15% of total demand.

Canada: Frozen Strawberries; Supply & Distribution			
Units: metric tons			
	Revised	Estimated	Forecast
	2001	2002	2003
TOTAL Production	2,500	2,600	2,700
Imports	14,884	16,000	17,000
TOTAL SUPPLY	17,384	18,600	19,700
Exports	756	900	1,000
Domestic Consumption	16,628	17,700	18,700
TOTAL UTILIZATION	17,384	18,600	19,700
Source: Statistics Canada & Post Estimates			

Frozen Strawberry Imports

Total import demand for frozen strawberries rose sharply in the first three-quarters of 2002 and posted a 29% increase over the level during the same period a year ago. Imports from the United States were up strongly and registered a 16% gain over imports in that period of 2001. The value of Canadian frozen strawberry imports from the United States during 2001 was \$8.7 million compared to \$8.9 million during the previous year.

Canadian Frozen Strawberry Imports						
2000-2001 Calendar Years						
January - August Comparisons for 2001 & 2002						
Units: metric tons						
HS = 0811.10						
						% change
				Jan-Sept.	Jan-Sept.	9 mos. '02
	2000	2001		2001	2002	vs. 9 mos.'01
The World	14,469	14,884		11,588	14,981	29%
United States	7,449	7,480		5,795	6,730	16%
Mexico	5,241	5,248		4,406	4,866	10%
China	591	678		511	1,410	176%
Poland	375	828		427	864	103%
Chile	284	380		268	655	145%
Egypt	5	7		4	72	1800%
France	43	2		1	13	1054%
Argentina	36	18		18	76	314%
All Others	447	243		158	294	86%
Derived From: World Trade Atlas						

Exchange Rates: Where prices and values in this report are expressed in Canadian dollars, the exchange rates are: 1999, C\$=US\$.6730; 2000, C\$=US\$.6733; 2001, C\$=US\$.6458; early December 2002, approximately US\$.6410.

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